The Jupingwu Trademark Battle

Corporate Authority vs. Third-Party Reliance

Supreme Court Civil Judgment
111 Tai-Shang-Zi No. 1040 (2022)

The Asset in Dispute

The Conflict: Who holds the legal right to apply for and register this specific trademark?

Opposing Positions

Appellant (Haiyang Co.)

Core Claim: The transfer was unauthorized and invalid.

Argument: The former Chairman signed the transfer document without a Board Resolution. His representative status had already been revoked internally.

Legal Basis: Tort, Unjust Enrichment.

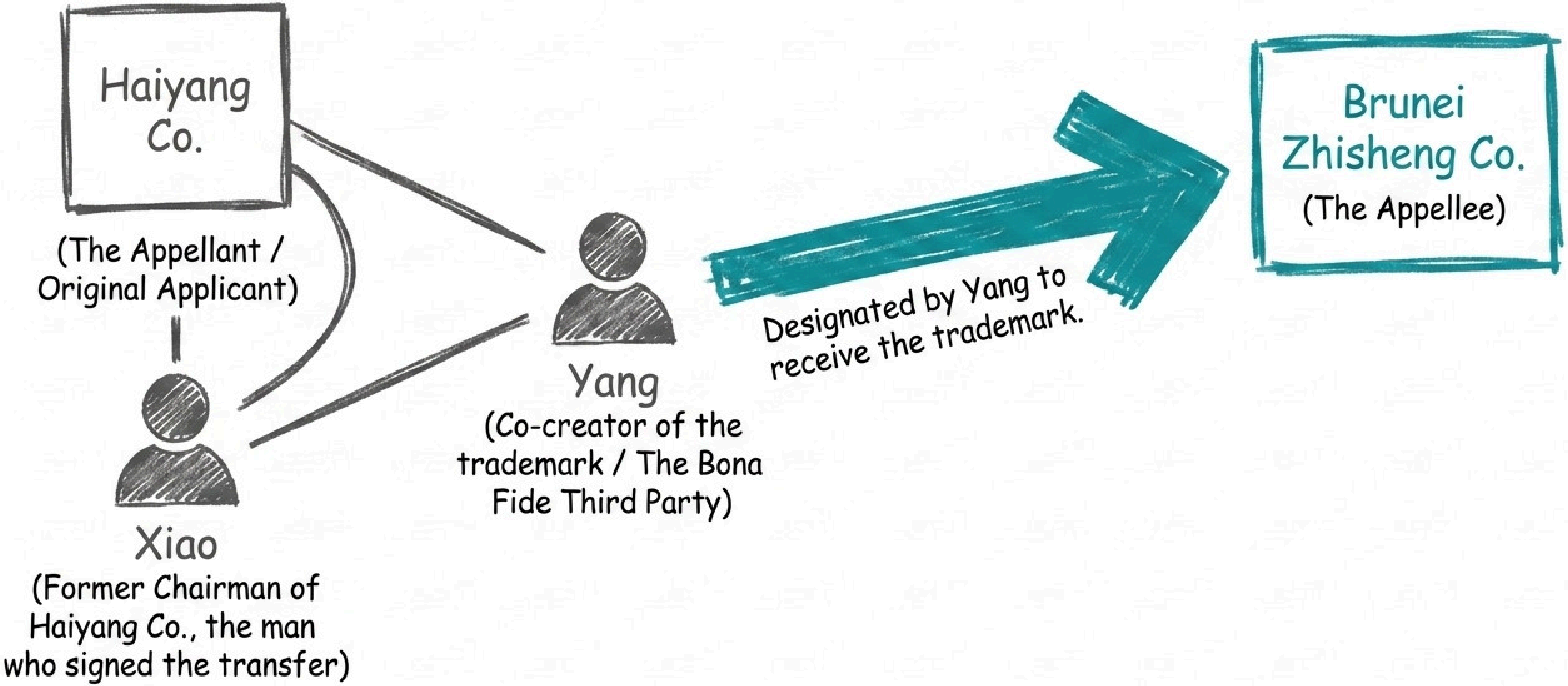
Appellee (Brunei Zhisheng Co.)

Core Claim: The transfer is perfectly valid.

Argument: The trademark creator acted in good faith. Internal corporate rules cannot be weaponized against outsiders.

Legal Basis: Bona Fide Third Party protection.

The Cast of Characters



The Timeline of Chaos (2009 - 2010)

Sep 21, 2009: Haiyang Co. applies for the trademark.

Oct 30, 2009: Chairman Xiao signs agreement returning rights to Yang.

Nov 20, 2009: Xiao is internally removed as Chairman.

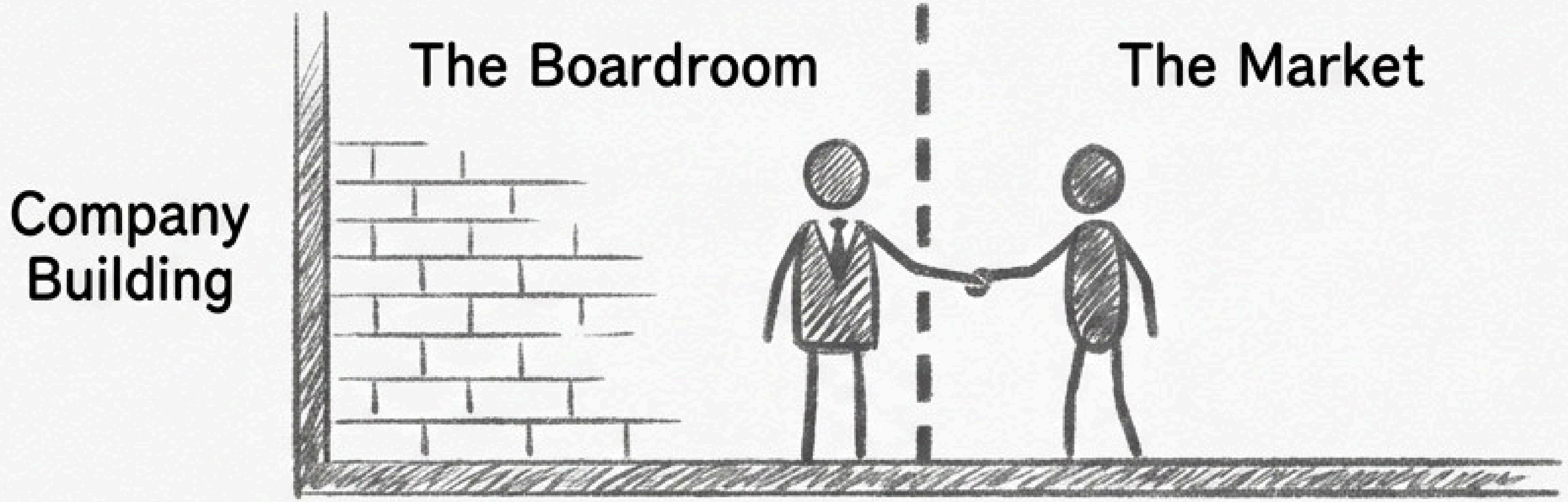
Nov 27–30, 2009: Transfer documents stamped and submitted to the intellectual property office.

The critical window: Xiao is removed internally, but the public registry remains unchanged.

Jan 29, 2010: Haiyang Co. officially registers its new Chairman.

May 1, 2010: New trademark owner officially approved.

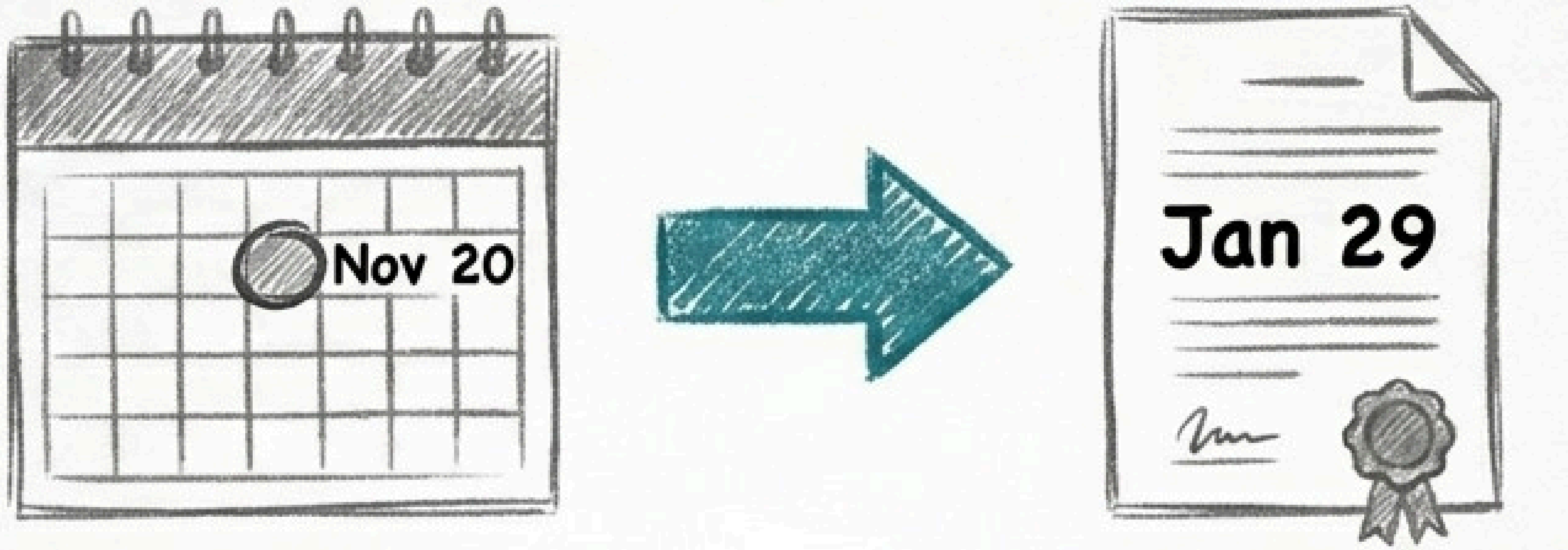
Legal Doctrine: Apparent Authority



The Issue	Does a lack of a Board Resolution invalidate a signed contract with an outsider?
The Rule (Company Act)	Internal divisions of power between a Board and a Chairman are invisible to the outside world.
The Application	The company's internal practice of not convening a board for individual transactions created Apparent Authority for Xiao.

The Conclusion: Because Yang was a Bona Fide Third Party, the company cannot deny the validity of the transaction based on internal procedural flaws.

Legal Doctrine: The Registration Gap



(Internal Change) (Public Registry)

The Rule (Company Act)	If a company fails to register a change in leadership, it cannot use that unregistered change as a defense against third parties.
The Application	Xiao was ousted on Nov 20, but the company delayed updating the public registry until Jan 29.

The Conclusion: When the transfer documents were submitted in late November, Xiao was still the legally registered representative. The company remains bound by his signature.

The Supreme Court Verdict

Result: Appeal Dismissed.

Rationale Points:

1. Yang acted as a Bona Fide Third Party relying on Xiao's legal standing.
2. The Trademark Assignment to the Appellee possesses a valid legal basis.
3. The Appellant's claims for Tort and Unjust Enrichment are decisively rejected.

Key Takeaways for Corporate Governance

Protect the Outsider.

The law heavily favors the Bona Fide Third Party. Internal procedures (like requiring a Board Resolution) cannot shield a company if a rogue executive acts with Apparent Authority.

Update the Registry Immediately.

Public registration is a corporate shield. Administrative delays in updating leadership changes leave the company exposed to the legal actions of ousted executives.

IP Reality vs. Registration.

Allowing a company to temporarily register a trademark does not automatically extinguish the original creator's underlying rights to the intellectual property.

Derived from Supreme Court Civil Judgment 111 Tai-Shang-Zi No. 1040 (2022)